

THE AGRICULTURAL PRODUCE CESS ACT, 1940

ACT NO. 27 OF 1940 1*

[15th April, 1940.]

An Act to make better financial provision for 2*[the Indian Council of Agricultural Research].

1.

Short title and extent.

1. Short title and extent. (1) This Act may be called the Agricultural Produce Cess Act, 1940.

(2) It extends to the whole of India 3***

2.

Definitions.

2. Definitions. In this Act, unless there is anything repugnant in the subject or context,--

4*[(a) "Collector" means a Collector of Customs as defined in clause (8) of section 2 of the Customs Act, 1962; (52 of 1962.) and]

(b) "Council" means 2*[the Indian Council of Agricultural Research].

3.

Imposition of cess.

3. Imposition of cess. (1) A customs duty at the rate of one-half of one per cent. ad valorem shall be levied on all articles included in the Schedule which are exported from 5*[India]:

Provided that the said duty shall not be levied on articles proved to the satisfaction of the Collector not to have been produced in India.

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- 1 Extended to Pondicherry by Reg. 7 of 1963.
Extended to the Union territory of Goa, Daman and Diu, vide Notfn. No. G.S.R. 504(E), dated 21.6.1985, Gaz. of India, Exty. pt. II sec. 3(i).
 - 2 Subs. by the A. O. 1950, for "the Imperial Council of Agricultural Research".
 - 3 The words "except the State of Jammu and Kashmir" omitted by Act 62 of 1956, s. 2 and Sch. (w.e.f. 1-11-1956).
 - 4 Subs. by Act 40 of 1970, s. 2, for cl. (a).
 - 5 Subs. by Act 62 of 1956, s. 2 and Sch., for "the territories to which this Act extends".

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(2) The Central Government may, by 1* notification in the Official Gazette, fix for the purposes of levying the said duty tariff values of any articles included in the Schedule, and may alter any tariff values for the time being in force.

4.

Power to exclude articles from Schedule.

4. Power to exclude articles from Schedule. The Central Government may after previous consultation with the Council, by 2* notification in the Official Gazette, direct that any article specified in the Schedule shall cease to be subject to the duty imposed by section 3, and thereupon, so long as the notification remains in force, that article shall be deemed not to be included in the Schedule.

5.

Refund of, and exemption from cess.

5. Refund of, and exemption from cess. 3*[The Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963.)) may make 4* rules providing, on such conditions as may be specified, in the rules, for--

- (a) the refund of duty levied where articles are exported by land and subsequently imported into India, and
- (b) the export by land, without payment of the duty of articles, which are subsequently to be imported into India.

5A.

Certain provisions of the Customs Act, 1962 to apply.

5*[5A. Certain provisions of the Customs Act, 1962 to apply. The provisions of the Customs Act, 1962 (52 of 1962.) and the rules and regulations made thereunder, including those relating to refunds and exemptions from duty, shall so far as may be, apply in relation to the levy and collection of customs duty on all articles included in the Schedule as they apply in relation to the levy and collection of duty payable to the Central Government under that Act.

5B.

Penalties.

5B. Penalties. (1) Whoever--

(a) evades the payment of any customs duty under this Act,
or

(b) fails to furnish any information which it is his duty to

furnish or furnishes information which is false in material particulars or which he does not believe to be true, or

(c) obstructs the Collector or any other officer in the performance of his duties under this Act or any rules made thereunder,

shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

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- 1 For such notification, see Gazette of India, 1947, Extraordinary, p. 611.
 - 2 For such notification, see Gazette of India, 1940, Pt. I, p. 1323.
 - 3 Subs. by Act 40 of 1970, s. 3, for "The Central Board of Revenue".
 - 4 For such rules, see Gazette of India, 1940, Pt. I, p. 565.
 - 5 Ins. by Act 40 of 1970, s. 4.

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(2) Any court trying an offence under this Act may direct that any article specified in the Schedule in respect of which it is satisfied that an offence punishable under this Act has been committed shall be forfeited to the Central Government and may also direct that all packages, coverings or receptacles in which such article is contained and every vessel or other conveyance used in carrying such article shall be forfeited to the Central Government.]

6.

Payment of cess to Council and expenditure of cess by Council.

6. Payment of cess to Council and expenditure of cess by Council.

(1) The proceeds of the duty levied under this Act reduced by the cost

of collection as determined by the Central Government shall be paid to the Council.

(2) The amount so due shall be paid by the Central Government to the Council at intervals of not more than six months.

(3) The expenditure of the money so paid to the Council shall be subject to such limitation as may be imposed by rules made in this behalf by the Central Government.

7.

Standing Finance Committee.

7. Standing Finance Committee. (1) The Council shall constitute a Standing Finance Committee, of which one member shall be chosen among 1*[the Members of Parliament] on the governing body of the Council, and one member shall be an officer appointed by the Central Government.

(2) Subject to the provisions of sub-section (1) the constitution, functions and procedure of the Standing Finance Committee shall be regulated in such manner as the Council may with the previous approval of the Central Government determine.

8.

Reserve fund.

8. Reserve fund. The Council shall in accordance with the rules made in this behalf by the Central Government create and maintain a reserve fund.

9.

Power of Central Government to make rules.

9. Power of Central Government to make rules. (1) The Central Government may, after consultation with the Council, by notification in the Official Gazette, make 2* rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, the Central Government may make rules regulating the expenditure of the money paid to the Council under section 6 and providing for the creation, maintenance and management of the reserve fund referred to in section 8.

1 Subs. by Act 40 of 1970, s. 5, for "the representatives of the Central Legislature".

2 For such rules see Gazette of India, 1940, Pt. I, p. 1353.

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1*[(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.]

SCHE

(See section 3)

THE SCHEDULE

(See section 3)

1. Bones.
 2. Bristles.
 3. Butter.
 4. Cereals, other than Rice and Wheat.
 5. Drugs.
 6. Fibre for brushes.
 7. Fish.
 8. Fruits.
 9. Ghee.
 10. Hides, raw.
 11. Manures.
 12. Oilcakes.
 13. Pulses.
 14. Seeds.
 15. Skins, raw.
 16. Spices.
 17. Tobacco, unmanufactured.
 18. Vegetables.
 19. Wheat.
 20. Wheat Flour.
 - 2*[21. Sheep's or lamb's wool and animal hair, whether or not
scoured or carded.]
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- 1 Subs. by Act 40 of 1970, s. 6, for sub-section (3).
- 2 Subs. by s. 7, *ibid*, for item 21.